

TITLE 10. INVESTMENT
CHAPTER 5. INSURANCE COMMISSIONER
SUBCHAPTER 9. INSURANCE FRAUD
ARTICLE 5. ORGANIZED AUTOMOBILE INSURANCE FRAUD INTERDICTION PROGRAM

§ 2698.71. Annual Fee

(a) Each insurer shall pay an annual fee of twenty five cents (\$.25) for the calendar year 2000 and, for each year thereafter, fifty cents (\$.50) for each vehicle it insures under a policy of insurance issued in this state. This annual fifty cent fee shall be paid in increments of twelve and one half cents (\$.125) for each quarter of a calendar year or any part thereof. The assessment shall be made on a quarterly basis. The fee imposed pursuant to California Insurance Code Section 1874.8 shall be calculated and assessed in the same manner as set forth in title 10 California Code of Regulations section 2698.62.

(b) The calendar year first quarter assessment shall be calculated by identifying the number of vehicles in this state for which a policy of insurance is in force as of January 1, plus the number of vehicles for which a new policy has been issued in the first quarter. The calendar year second, third, and fourth quarter assessments shall be calculated by identifying the number of vehicles in this State for which a policy of insurance is in force as of April 1, July 1, and October 1, respectively, plus the number of vehicles for which a new policy has been issued in the respective quarter. Each quarterly assessment payment shall be submitted with a certification by an officer of the insurer, under penalty of perjury pursuant to the laws of the State of California, that the number of vehicles being reported is accurate and the insurer shall, on request by the Commissioner, provide verification of the number of vehicles insured under a policy of insurance.

(c) An assessment need not be paid on a vehicle insured on:

(1) A renewal policy issued within the same quarter of a calendar year, on the same vehicle by the same insurer or insurer with the same group.

(2) A multi peril, umbrella or excess coverage policy where the vehicle is already covered under a primary policy.

(3) A road side or mechanical breakdown policy that does not provide coverage for collision or other than collision (comprehensive) losses.

(d) Payment of the assessment shall be considered delinquent if not paid by the insurer within forty five (45) days of the invoice date. Any amount not paid within this period shall be charged a late fee in accordance with California Insurance Code section 12995.

~~(e) Notwithstanding subdivision (a) of this section, if the Commissioner determines that the amount to be collected will exceed the amount to be expended from the Annual Budget Act Appropriation to fund the program under this article, the Commissioner may discount the amount of the assessment to be collected to more closely meet the expenditures authorized by the Annual Budget Act.~~

AUTHORITY:

Note: Authority cited: Sections 1874.8 and 1874.81, Insurance Code. Reference: Section 26500, Government Code; Sections 1874.8, 1874.81 and 12995, Insurance Code; and Section 670, Vehicle Code.